

Appendix I: Smart Growth: The Competitive Advantage

SMART GROWTH
THE COMPETITIVE ADVANTAGE

**Recommendations of
Governor Angus S. King's
Cabinet Committee on Smart Growth**

Background

In the summer of 1999, Governor King formed a sub-cabinet working group to consider how State government can support the kind of growth Mainers are speaking out about. Led by Transportation Commissioner John Melrose, Governor King challenged the working group to devise an action plan that would assure a strong rate of return on public investment, renewed commitment to environmental stewardship and stepped up efforts to build and strengthen community. Four principles were presented to the working group to guide the strategic planning process:

- *That individuals be free to choose where to live*
- *That individuals bear the costs of their decisions*
- *That healthy places don't die*
- *That developers are allies in implementing public policy*

In developing proposed actions, he suggested that cabinet members review their agency operations, policies, laws and regulations and investment decision making processes which may unintentionally serve to erode the vitality of service centers, the viability of rural enterprises and working waterfronts and the ability of developers and communities to build and maintain strong neighborhoods.

The working group included Commissioners or their designees from 11 agencies. The members of the working group were:

John Melrose, Commissioner of MDOT
Evan Richert, Director SPO
Martha Kirkpatrick, Commissioner MDEP
Steve Levesque, Commissioner DECD
Lee Perry, Commissioner MIF&W
George Lapointe, Commissioner MDMR
Duke Albanese, Commissioner MDE
David Lakari, Commissioner MSHA
Robert Spear, Commissioner MDAFRR
Janet Waldron, Commissioner MDAFS
Ron Lovaglio, Commissioner MDOC

Kathy Fuller, Policy Specialist, MDOT
John DeVecchio, Program Manager, SPO
John VanWie, Dir. Land Bureau, MDEP
James Nimon, Development Program Manager, DECD
Kenneth Elowe, Dir. Resource Management, MIF&W
Sue Inches, Dir. Industry Development, MDMR
Scott Brown, Dir. School Facilities, MDE
Peter Merrill, Dir. Planning/Government Affairs, MSHA
Linda Smith-Dyer, Deputy Commissioner, MDAFRR
Elaine Clark, Dir. Bureau General Services, MDAFS
John Williams, Dir. LURC, MDOC
Edna Cayford, Special Assistant to the Director, SPO

The Goal of the Smart Growth Action Plan

is to maintain Maine's competitive advantage as one of the most livable places in the United States -- a place with growing, vital cities and towns, a productive countryside, and a revered natural environment.

9 Measurable Objectives:

By 2010:

- ✧ The population of Maine's regional hub communities -- our job centers -- in both urban and rural regions will grow, reversing 30 years of stagnation or decline, and thus contribute to overall growth in the state.
- ✧ In each county, the amount of commercial marine infrastructure on coastal waterfronts (as measured by the area of commercial piers, and the number of commercial boat launches and moorings) will be no less than in the year 2000. Along the Maine coast, fewer than 100,000 acres of estuarine areas will be closed to harvesting of shellfish.
- ✧ In all regions, the acres of cropland harvested (as tracked in the Agricultural Census), and net farm income (in real dollars) will stabilize with a possible increase and the proportion of processed potatoes to raw potato exported will increase from the year 2000.
- ✧ Improve the growth and productivity of the forest and the subsequent balance between growth and harvest in all regions.
- ✧ Seventy percent of Maine's organized towns will have projects, land trusts, and/or state agencies working cooperatively with landowners to protect the value of designated high value aquatic and terrestrial habitats within the context of municipal comprehensive plans that incorporate blocks of open space for landscape wildlife habitat. Impairment of Maine's lakes due to development will be slowed.
- ✧ There will be no net loss in the posted speed on rural portions of arterial roads that run between urban compact boundaries.
- ✧ A reduction in highway congestion and improved air quality will be realized by proportionally faster increases in use of passenger transportation opportunities over use of single occupancy vehicles and by proportionally faster increases in use of air, rail, and marine freight transportation over the use of highway freight transportation.
- ✧ A decrease in vacant floor space will occur in downtown buildings.
- ✧ The number of new homes in locally-designated growth areas as identified in Comprehensive Plans will account for 65% of all new homes in the state.

3-Year Action Plan:

A. State Capital Investments: Enhancing Public Benefits

1. Limit state growth-related capital investments to areas designated for growth by local governments and LURC in their comprehensive plans and ordinances (preferably through legislation such as LD 1080 introduced in the 119th Legislature). Include language in LD 1080 that creates a downtown leasehold improvement fund capitalized by a one-time, nonlapsing allocation. ***(Legislation submit year FY 00; One time allocation)***

2. Speed up funding of local comprehensive plans and implementation programs (from \$250,000 per year to \$500,000 per year) to assure full opportunity for local governments to designate and implement growth areas (as of 1999, 165, or about 33% of organized municipalities, have “consistent” comprehensive plans with designated growth areas.) Expand regional technical assistance to provide assistance to local governments. ***(One time non-lapsing allocation)***

a. Provide funding for the development of Capital Improvement Plans and develop a mechanism for their capitalization for regions that have been prospectively zoned by LURC. ***(Estimate unknown at this time)***

3. Protect state highway investments through access management, by a combination of acquisition/regulation of key rights-of-way in the corridors of the state’s arterials, and standards in local ordinances and LURC regulations that minimize intrusions and conflicts associated with development sprawl on state highways. ***(Legislation submit year FY 00)***

4. Implement the Maine Department of Transportation’s “Explore Maine” initiative, creating a viable alternative transportation network to support Maine tourism. ***(Reallocate existing funds begin year FY 02)***

5. Provide incentives for regional collaboration between K-12 education, higher education, and economic development to make the most effective and efficient use of school capacity and human resources and to encourage well planned growth and development. ***(Reallocate existing funds begin year FY 02)***

B. Keep Rural Lands Ecologically and Economically Productive

1. Property Tax reform:

a. Farm & Open Space Tax Act:

- reduce the penalty for withdrawal to the minimum required in the Constitution ***(Legislation submit year FY 00)***
- reimburse municipalities for reduced tax base due to farmland classification at equivalent level as done for tree growth classification and provide updated guidelines for assessors to use for valuing farmland in each region of the state. ***(Ongoing allocation)***

b. Wildlife Habitat and Waterfront Tax benefit:

- include tax benefits for landowners entering into cooperative

agreements with IF&W and DMR for designated high value wildlife habitats and waterfronts. **(Legislation submit year FY 01)**

- reimburse municipalities for reduced tax base due to habitat and waterfront classification at equivalent level as done for tree growth classification and provide updated guidelines for assessors to use for valuing habitats and waterfronts in each region of the state. **(Ongoing allocation begin year FY 01)**

c. Study the feasibility and cost of changing the Maine Constitution to permit “current use” taxation. **(Administration Study begin year FY 00)**

2. Through a Strategic Plan for Land for Maine’s Future, target substantial portions of land acquisition funds for purchase of:

a. threatened rural lands around spreading urban areas, including the purchase of development rights from willing farmers; (Note: \$50 million LMF bond issue sets aside 10% for purchase of development rights from farms.)

b. marine waterfronts which can be used for shellfish harvesting

c. fresh and marine waterfronts which can be used for public access, recreational use and wildlife habitat

d. highway access rights in partnership with MDOT as a cost effective approach to highway access management and corridor preservation. **(Reallocation of funding provided through General Fund Bonding begin year FY 00)**

3. Strengthen the right-to-farm law for areas located outside of locally-designated growth areas and LURC development zones. **(Legislation submit year FY 00)**

4. Eliminate the sales tax on electricity used in agriculture production, commercial fishing and commercial aquaculture productions. **(Legislation submit year FY 00)**

C. Resurgent Service Centers

1. Implement the ‘Main Street Maine’ downtown initiative involving at least the following key elements:

a. multi-modal transportation investments program; **(Reallocate existing funds begin year FY 02)**

b. joint investment program by DECD/FAME/MSHA to support existing infrastructure improvements that serve high density mixed uses in downtowns; **(Administrative implementation begin year FY 02)**

2. Create and capitalize a Downtown Fund with a one time allocation from the State surplus and distribute to municipalities with “designated downtowns” through a low interest revolving loan program to facilitate investment in downtown infrastructure and related amenities (parking improvements, building code compliance, utility upgrades, lighting, facade improvements, parks, gathering places and other improvements). Municipalities apply for downtown designation; an interagency “Main Street Maine” Commission reviews the application based on eligibility criteria. The maximum loan amount to any municipality would range from \$500,000 to \$1,000,000. No less than 1% of the available balance in the “Downtown Fund” shall be set aside annually as seed funding for communities who wish to hire downtown managers. No less than \$1,000,000 of the Downtown Fund shall be set aside & reserved (\$250,000 annually for four years) to create a grassroots marketing and management program called the “Downtown Center”, styled after the National Historic Trust’s Main Street Program, housed at DECD. Amend existing law or create new statute. ***(One time allocation begin year FY 00)***

3. Institute a state income tax credit, augmenting the federal tax credit, for brownfields redevelopment. The tax write off would cover the cost of investigation and clean up. ***(Legislation submit year FY 01; Ongoing allocation begin year FY 02)***

4. Develop site selection criteria for leased and owned State office space and state civic buildings that creates a priority for, and gives a scoring advantage to, locations in downtowns first, then in designated growth areas and/or service centers while providing safe, healthy appropriate work space for employees and clients, healthy appropriate work space for employees and supporting agency program requirements. ***(Administrative implementation begin FY 00) (Relates to Section A.1)***

5. Establish a stakeholder review of codes that may inhibit redevelopment of historic buildings and other downtown properties (ADA, Life Safety, Parking standards, etc.) and make recommendations for appropriate remedies. ***(Administrative implementation begin FY 00)***

6. Create a homeownership program for service center downtown areas that is similar to MSHA’s New Neighbors program. This will encourage owner-occupied 3-4 unit buildings in high rental, low-income areas. ***(Reallocate existing funds begin year FY 00)***

7. Help protect the fiscal condition of service centers that are losing population to out-migration by reducing the impact of population loss in the school funding and community revenue sharing formulas. ***(Reallocate existing funds begin year FY 00)***

**D. The Great
American
Neighborhood**

1. Reform local land use ordinances to allow the development of traditional neighborhoods -- that is, compact, walkable, mixed-use neighborhoods -- that are designed for contemporary conditions, including accommodating auto

travel, but that preserve the heritage of the New England town and livable city neighborhoods. Do so by:

- a. preparing a model ordinance for traditional neighborhood development that can be incorporated into local land use ordinances;
- b. preparing a design manual for towns and home builders; including case studies of locations in Maine which approach this concept; and
- c. requiring, either through administrative or legislative action, municipalities to allow the development of traditional neighborhoods (that meet the standards of the model ordinance) in sewer service areas of communities where the state has helped fund sewer systems and treatment plants. *(Administrative implementation begin year FY 00)*

2. Revise LURC zoning districts to encourage development around designated settlement areas and development zones. Simultaneously, in more remote areas, discourage development, except that which can accommodate backcountry recreation or which is resource dependent. Revise performance standards, permitted uses, and densities to reinforce the LURC-version of the Great American Neighborhood and the special character of the jurisdiction. *(Administrative implementation begin year FY 00)*

3. Amend the Site Location of Development Law so that towns with populations greater than 5,000 would be “presumed to have capacity in 2003” only in locally-designated growth areas. *(Legislation submit year FY 00)*

4. Fund a “patient” sewer and water extension loan program (in which municipalities and sewer and water districts can finance extensions but are not required to repay the loans until development is on line and appropriate charges made to developers), provided that residential development locates in designated growth areas and is allowed in the service areas of the extensions at 3 or more units per acre. *(Ongoing allocation begin year FY 02)*

5. Issue an executive order that requires state agencies to review their regulations for secondary impacts that may tend to discourage the development of traditional neighborhoods and commercial centers, or that tend to encourage development sprawl throughout the state (See related section C5). *(Administrative implementation begin year FY 00)*

6. Through the State Planning Office’s community planning and investment program, establish a competitive pilot program to fund:

- a. the restoration of the physical landscapes of older urban neighborhoods consistent with the principles of the Great American Neighborhood; *(Ongoing allocation begin year FY 02)*
- b. the restoration of commercial areas through the concept of “downtowning the strip” . *(Ongoing allocation begin year FY 02)*

E. Report Card

1. Charge the Land and Water Resources Council with maintaining a biennial “report card” on progress toward this initiative’s measurable objectives within each of the state’s “extended communities” -- that is, areas defined by the State Planning Office that consist of one or more service centers and surrounding suburbs and rural towns that are bound together economically.

The report card will include measures undertaken to foster local leadership and capacity-building necessary to support the objectives and strategies for A-D above, as well as identify any unmet local needs. (*Administrative implementation begin year FY 00*)